



## COMPANY ANALYSIS

### Y5 Espresso & Coffee Machine

TECHNOLOGY ENTREPRENEURSHIP ENT600: CASE STUDY

FACULTY AND PROGRAMME	ARCHITECTURE PLANNING & SURVEYING
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NAME	MUHAMMAD HAZIQ BIN HASAN
LECTURER	DR. SHAFIQ SHAHRUDDIN

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Muhammad Haziq Bin Hasan

## **EXECUTIVE SUMMARY**

Illycaffè S.p.A. (branded and stylised as illy) is an Italian coffee company specializing in espresso, headquartered in Trieste. Illy markets its coffee globally in silver and red pressurized, oxygen-free cans; operates a network of cafes on shopping streets, in museums, and in airports; and, since 2009, has marketed a line of coffee-flavoured energy drinks as illy issimo.

The first problem regarding one of their products which is The Illy Y5 Espresso & Coffee Machine which is the product only produces two types of coffee-based drinks which are espresso and coffee. The outcome of that problem resulting in less varieties of choices in drinks.

On the other hand, Furthermore, the product is not equipped with any physical buttons on the machine. No physical switches as backup to control the machine is equipped with the product. Touch screen technology is phenomenal but based on previous customers' comments on the product the touchscreen buttons became less responsive throughout the years of usage.

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## 2.3 Products

Since the end of the 1980s, illy has purchased its green (raw) coffee beans directly from source countries, rather than the international commodities markets. The company exclusively purchases coffee of the arabica species, in particular from Brazil, the largest producer worldwide, but also from Colombia, India, and countries in Africa and Central America. Illy's Università del caffè ("University of Coffee") offers free training for growers. In Brazil, a nine-month program (one week per month) includes 360 hours of lectures. Illy buys between 10% and 30% of coffee produced by growers trained at the University of Coffee at a premium price, but does not require that the growers enter into an exclusive contract with the company. Illy coffees are blended from arabica beans from multiple sources. The grounds are packaged in steel canisters and pressurized with an inert gas rather than air.

On 22 May 2009, in partnership with The Coca-Cola Company, illy launched a line of coffee-flavoured energy drinks marketed as illy issimo. In 2009, AirTran Airways began serving the beverage to passengers, which has since been available in five flavours: caffè, caffè no sugar, cappuccino, latte macchiato, and mochaccino.

The company has constructed a world of intelligence, experience, taste, science and art around the pleasure of a perfect cup of coffee. The illy offer also includes preparation machines, designer cups and accessories. The business extends to illy Caffè, authentic Italian cafés, and an international network of skilled baristas.

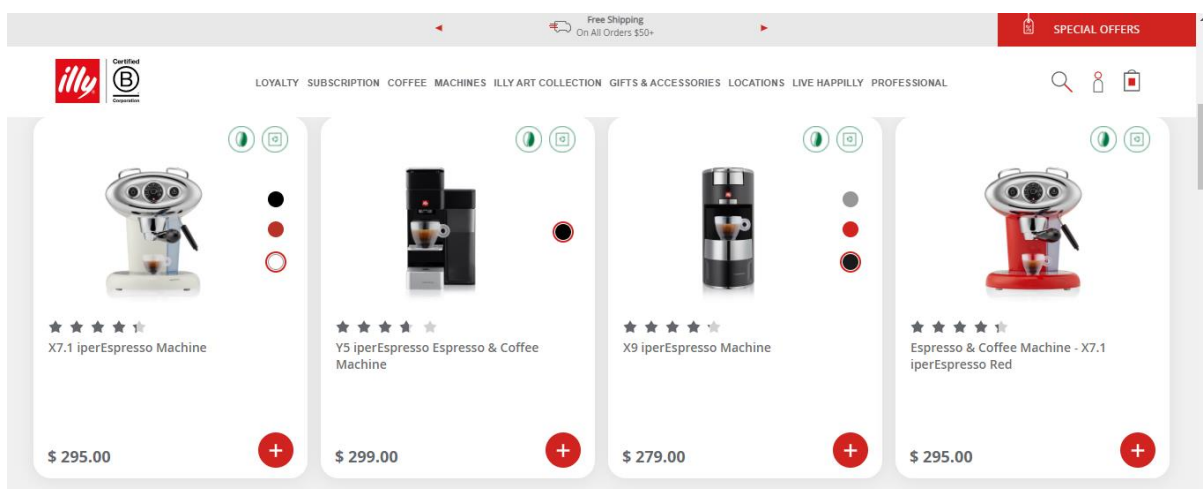


Figure 2 Some of coffee machines by Illy